

PROVINCE OF SASKATCHEWAN



09-10

ANNUAL REPORT

**MINISTRY OF
AGRICULTURE**

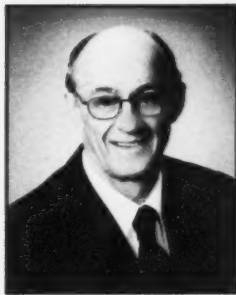
Agri-Food Council

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This annual report is also available in electronic format from the ministry's website at www.agriculture.gov.sk.ca.

Letters of Transmittal



July 2010

His Honour
The Honourable Dr. Gordon L. Barnhart
Lieutenant Governor of the Province of Saskatchewan

May it please Your Honour:

As the Minister of Saskatchewan Agriculture, it is my pleasure to submit the annual report for the Agri-Food Council for the year ending March 31, 2010.

Respectfully submitted,

A handwritten signature in cursive script that reads "Bob Bjornerud".

Bob Bjornerud
Minister of Agriculture

Letters of Transmittal



June 2010

The Honourable Bob Bjornerud
Minister of Agriculture

Sir:

In accordance with section 20 of The Agri-Food Act, 2004, I submit herewith the 2009-10 Annual Report of the Agri-Food Council.

The 2009-10 year was an exciting and challenging one for the council. As the members appointed in August 2008 became more experienced with Agri-Food Council responsibilities, priorities and values, our ability to provide useful guidance and feedback to the agencies we supervise has grown and excelled over the past year. As well, with two new council members being incorporated into the mix in August 2009, our ability to integrate diverse perspectives into our supervisory role has been enhanced.

A proactive approach and transparency are central mandates of the council as demonstrated by the council's activities and accomplishments detailed in this report. The council continues to develop policies and procedures that will ensure accountability and transparency in its operations. As well, our strategic plan has begun to take shape and we expect the final version to be completed by June 2010. Additionally, over the past year we have begun to see our initial goal of developing stronger relationships with agencies begin to take shape.

One of the council's focuses this past year has been the development of a governance course designed with the needs of our supervised agencies in mind. This course will be provided to agency boards and staff beginning in November 2010. It is the hope of the council that this course will provide relevant governance information to agencies with varying degrees of experience and governance expertise in a practical and relevant manner.

Even with these proactive strategies in place, the council remains committed to its legislated mandate of supervising and monitoring each of the agencies for which it is responsible. The council would like to congratulate the existing agencies on their successes and thank them for their continued co-operation. The council is pleased to report that overall compliance in 2009-10 was excellent. The council will continue to ensure that the full reporting requirements are met by all agencies. It is essential that the highest level of accountability be exercised to ensure that the trust producers have invested in these agencies is maintained.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "B. J. Tyler".

Bob Tyler, Chairperson

Agri-Food Council

Established in 1990*, the Agri-Food Council (council) is appointed by the Lieutenant Governor in Council to supervise and monitor the activities of the agri-food agencies established under *The Agri-Food Act, 2004* (Act). Under the authority of the Act, the council plays a regulatory, advisory and supervisory role in the agri-food industry, each of which is described below:

(1) The council ensures that each of its supervised agencies is compliant with the terms and conditions of the Act, its regulations and each agency's regulations and orders. In doing so, the council advises and updates Saskatchewan's Minister of Agriculture on the operation and administration of the agencies operating under the Act and provides recommendations to the Minister on how to proceed with various agency matters.

(2) As a regulator, the council reviews proposed marketing and development plans, determines whether public meetings or hearings should be called in respect to the proposed plans, conducts producer votes and makes recommendations to the Lieutenant Governor in Council or the Minister on whether or not to amend or terminate such plans. The council also approves all agency orders to ensure compliance with the Act and its regulations, consults with agencies on issues relating to federal-provincial agreements, and conducts policy and program reviews, report reviews and strategic plan reviews of the agencies it supervises.

(3) The council investigates issues relating to commission and board policies. A separate appeal body appointed under the Act — the Agri-Food Appeal Committee — hears appeals relating to agency decisions and actions which violate the Act, its regulations or the regulations or orders of an agency.

The Agri-Food Act, 2004 provides the framework for the promotion, development, regulation and control of Saskatchewan's agri-food production. To form an agency under the Act, in co-operation with the council and its staff, producers of one or more agri-food products work together to prepare a development or marketing plan that would be used to form the basis of the regulations to establish the proposed agency. These regulations would

guide the operation of the proposed agency. If the proposed agency plan meets all of the requirements set forth in the Act and the Lieutenant Governor in Council has assented, the agency is established and a producer-elected and operated commission or board is formed that administers the agency's plan. Under the authority of the Act, producer-operated commissions and boards collect either mandatory refundable or mandatory non-refundable levies (check-offs), the funds from which are used for research, development and/or marketing initiatives.

In 2009-10, the council was responsible for monitoring 17 agencies. Presented below is a description of the three agency types that may be established under the Act, as well as a listing of each of the agencies currently supervised by the council.

(1) Development Commissions – A development commission is dedicated to the promotion and development of the production and/or marketing of a particular agricultural industry. Refundable levies (check-offs) allow commissions to support research that improves producer productivity and profitability and reduces producer input costs. Research and cost-cutting measures developed by commissions usually provide returns to producers far exceeding the value of their contributed levies (check-offs).

Saskatchewan's 10 development commissions are:

- Saskatchewan Alfalfa Seed Producers Development Commission;
- Saskatchewan Beekeepers Development Commission;
- Canaryseed Development Commission of Saskatchewan;
- Saskatchewan Canola Development Commission;
- Saskatchewan Cattlemen's Association;
- Saskatchewan Flax Development Commission;
- Saskatchewan Forage Seed Development Commission;
- Saskatchewan Mustard Development Commission;
- Saskatchewan Oat Development Commission; and
- Saskatchewan Winter Cereals Development Commission.

*The Agri-Food Council replaced the Saskatchewan Natural Products Marketing Council, the supervisory body established under the legislation replaced by *The Agri-Food Act, 2004*.

(2) Development Boards – A development board is very similar to a development commission in that both are dedicated to the promotion and development of the production and/or marketing of a particular agricultural industry. However, unlike a development commission, a development board is funded by a non-refundable levy (check-off). Consequently, development boards are more difficult to organize since, before the board is established, the Lieutenant Governor in Council must be convinced that the levy (check-off) is supported by the majority of the industry as confirmed by a producer vote. Saskatchewan's three development boards are:

- Sask Pork;
- Saskatchewan Pulse Crop Development Board; and
- Sheep Development Board.

(3) Marketing Boards – A marketing board administers a supply-managed marketing plan that allows the board to regulate and control the production of a specific agricultural commodity through the use of quotas. To support their operations, marketing board legislation empowers these boards to charge and to collect a non-refundable levy (check-off).

Saskatchewan's four marketing boards are:

- Saskatchewan Broiler Hatching Egg Producers' Marketing Board;
- Chicken Farmers of Saskatchewan;
- Saskatchewan Egg Producers; and
- Saskatchewan Turkey Producers' Marketing Board.

2009-10 Agri-Food Council Members

Bob Tyler, Chairperson	Saskatoon
Murray McGillivray, Vice Chairperson	Radville
Burl Adams	Kelvington
Hubert Esquirol	Meota
Richard Lindsay	Arborfield

Staff

Corey Ruud, General Manager	Regina
Lyndi Blakley, Research Officer	Regina
Sandi Kennedy, Research Officer	Regina

Council Office

Walter Scott Building
302 – 3085 Albert Street
Regina, Saskatchewan
S4S 0B1

Phone: (306) 787-5978
Fax: (306) 787-5134
E-mail: corey.ruud@gov.sk.ca
Website: www.agriculture.gov.sk.ca/Agri-Food-Council

The fiscal year of the council is from April 1 to March 31.

2009-10 In Review

Brief Overview

During the 2009-10 fiscal year, the council continued to carry out its mandate to supervise the activities and the administration of the commissions and boards operating under *The Agri-Food Act, 2004*. The council is committed to continuing to work closely with all agencies to ensure that all reporting requirements are met in a timely fashion.

Two new council members, Burl Adams and Richard Lindsay, were appointed to the council in August 2009. A two-day orientation session involving all council and staff members was held in September 2009. The first day focused on introducing the new council members to the roles and responsibilities of the council, to the governing legislation and orders and to the council's established policies and procedures. The second day focused on providing background on the matters addressed by the council during the previous year and providing overviews of current Agri-Food Council files.

During the previous fiscal year, the council continued with its commitment to meeting with representatives of the agencies it supervises in order to better understand the approaches and priorities of the various agencies and to develop a co-operative and open relationship between each agency and the council. Council has also had the opportunity to meet with the Farm Products Council of Canada.

The council has made strides in completing its strategic plan with hopes of a three-year plan being completed by June 2010. The new strategic plan will focus on developing the council as a proactive supervisory body that is viewed as a support system on which the supervised agencies can rely to further advance the success of their respective agri-food industries. In accomplishing this mandate, the council is committed to meeting with representatives from each of the supervised agencies on a regular basis in an effort to become better acquainted with the strengths, weaknesses and issues facing the agencies and to provide guidance and advice where needed. The council is also committed to providing the Minister with relevant and applicable recommendations on how to improve the efficiency and effectiveness of the agri-food industry.

As part of its proactive approach, the council is in the process of completing its agency-focused governance course. The first session is to be held in November 2010. This course will provide agencies with the opportunity to better understand how they and the council fit into the legislative framework, how the council addresses agency matters and how the agri-food appeal process works, among other things. As well, there will be a strong focus on various governance topics, including a review of governance models, the role of board members, the necessity of strategic planning and the importance of understanding legal liability and conflict of interest matters. This course is not designed to be an all-encompassing how-to guide for governance boards, but rather, recognizes the differences between governing boards and the need for those differences to be incorporated into governance practices.

The Agri-Food Act was repealed and replaced by *The Agri-Food Act, 2004* in October 2004. The transition to the new Act was smooth and progress continues to update the pre-existing agency regulations to ensure that they conform to the new Act. In the 2009-10 fiscal year, regulatory changes were completed for canola, mustard and canaryseed. As well, significant progress has been made on amendments to the chicken regulations and the establishment of the dairy regulations.

As a result of last year's establishment of the Saskatchewan Cattlemen's Association, *The Agri-Food Act, 2004* required an amendment to allow a development commission to collect a non-refundable national levy. With this amendment, the Saskatchewan Cattlemen's Association will become a fully operational development commission. It is expected that the amendment to the Act will be passed in the 2010 spring session.

In the new fiscal year, the council intends to complete the chicken and pulse regulatory amendments currently underway and the final dairy regulations, as well as to begin work on the turkey and pork regulatory amendments. As always, the council will work to develop regulations for any new agencies established under *The Agri-Food Act, 2004*.

Activities Report

Supervision of Commissions and Boards

As part of its responsibility to supervise boards and commissions operating under *The Agri-Food Act, 2004*, the council reviewed minutes of regular and annual meetings of commissions and boards, as well as all annual reports and financial statements. In addition, council members and staff attended various meetings of commissions and boards, including agency annual general meetings, and reported back to the council. Furthermore, council staff attended meetings of the National Association of Agri-food Supervisory Agencies (NAASA).

Marketing Plan Reviews

The council reviewed a marketing plan submitted by the Dairy Farmers of Saskatchewan. The council recommended that the Minister require producer support for the plan to be demonstrated through a vote and that a valid vote require at least 65 per cent of producers casting a ballot.

Throughout the week of October 19-23, 2009, producer votes were held in Swift Current, Yorkton, Vibank, Warman and Melfort. Of the 200 producers operating in the province at the time, 139 dairy producers voted, with 132 voting in favour, two voting against and five ballots spoiled. Efforts are now underway to establish the dairy marketing board's regulations.

Development Plan Reviews

No development plans were formally presented to the council for consideration during the 2009-10 fiscal year.

National Activities

National Marketing Agencies

The council is a signatory to three federal-provincial agreements that provide the basis for the operation of the national marketing agencies for chicken (Chicken Farmers of Canada), turkey (Turkey Farmers of Canada) and eggs (Egg Farmers of Canada). These national agencies are producer-driven, supply-managed organizations with representation from downstream sectors (primary and further processors and consumer representatives). Their primary mandate is to manage the supply of primary poultry products across Canada as specified in the terms of the federal provincial agreements.

Each national agency allocates production quota among participating provincial commodity boards who in turn allocate their provincial allocations to individual producers within their provincial boundaries. The national agencies target production to meet market demand at a price that covers the average producer's production costs and provides a reasonable return on investment for producers.

As a signatory to each of these federal provincial agreements, the council is responsible for participating in matters relating to the monitoring of the operation of the national marketing systems and in activities that improve the performance of those systems. In doing so, the council co-operates with other supervisory agencies as a member of the National Association of Agri-food Supervisory Agencies (NAASA). The council also co-operates with the Farm Products Council of Canada, the council's national counterpart, which has the responsibility of supervising the national marketing agencies as specified in the *Agricultural Products Marketing Act*.

With the resolution of Saskatchewan's dispute with the Egg Farmers of Canada, the 2009-10 fiscal year brought progress on the federal provincial agreement on eggs.

In 2007, Saskatchewan requested membership in the Canadian Hatching Egg Producers Marketing Board (CHEP). At this time, the organization was close to finalizing its renewed federal provincial

agreement. Consequently, the parties decided that Saskatchewan would be a signatory to the new agreement and, until it was implemented, Saskatchewan would be included within CHEP through the use of a service agreement which was signed in 2008.

The service agreement allows Saskatchewan to enjoy most of the benefits of being a CHEP member, including access to industry information and participation in the national quota allocation formula, as well as CHEP meetings and committees. The drawback of this agreement is that Saskatchewan cannot vote on issues relating to the national allocation system or on matters that involve the exercising of CHEP's statutory powers. It's expected that the CHEP- federal-provincial agreement will be signed in July 2010.

National Association of Agri-food Supervisory Agencies (NAASA)

In 2009-10, the council continued to participate as an active member of NAASA. The NAASA mandate is "to assist the agri-food industry by sharing information, providing direction and supporting an environment that promotes its development and prosperity."

NAASA's primary objectives for this fiscal year were to assist the chicken industry in addressing its various issues and to increase the flow of information between NAASA members in an effort to enhance each member's understanding of jurisdictional legislative and operational differences.

On September 10, 2009, a chicken industry meeting was led by NAASA in Ottawa to bring together all industry partners to openly discuss the role of premiums in the chicken industry and the Ontario-Quebec-centered issue of interprovincial movement. Participants in this meeting included NAASA members and representatives from the Chicken Farmers of Canada, the Canadian Poultry and Egg Processors Council, the Further Poultry Processors Association of Canada and the Canadian Restaurant and Foodservices Association. This meeting proved to be an effective mechanism for encouraging communication between chicken industry participants.

In the upcoming year, NAASA will broaden its scope to include a more open discussion of trade issues including the progress of the World Trade Organization discussions, multilateral and bilateral agreements and the Agreement on Internal Trade. As well, jurisdictional differences in legislation and supervisory board practices are to be discussed.

2009-10 Council Review of Commission and Board Activities

Each agency is required to annually submit to the council the following five reports:

- an audit report on the financial statements (Financial Statements Audit Report);
- an audit report on the rules and procedures to safeguard and control agency assets (Internal Control Opinion Audit Report);
- an audit report on compliance with authorities (Legislative Compliance Audit Report);
- a statement comparing actual results to budgeted results in the audited financial statements (Budget to Actual Comparison); and
- a Payee List with board of director approved thresholds disclosed (Payee List).

Unless otherwise noted, each agency was successful in completing and submitting these five reports to the council for the current fiscal year.

Each agency's board of directors and management are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements. The agency's system of internal control, legislative compliance and financial statements are audited annually.

The following information provides a summary of each agency.

Development Commissions

Saskatchewan Alfalfa Seed Producers Development Commission

127 E – 116 Research Drive
Saskatoon, SK S7N 3R3
Phone: (306) 651-7275
Fax: (306) 651-7270
E-mail: goerzenw@innovationplace.com

Board of Directors - 2008-09

Harry Nikonetz, Chairperson	Hudson Bay
Sheldon Wolf, Vice Chairperson	Carrot River
Robert Cay	Tisdale
Andrew Lindsay-Hawkins	Saskatoon
Don Marchildon	Zenon Park
Miles Wendell	Yorkton
Wayne Goerzen, Executive Director	Saskatoon

Annual Report Review

Fiscal Year End - July 31, 2009

The Saskatchewan Alfalfa Seed Producers Development Commission (SASPDC) was successful in completing and submitting the required five reports to council for the 2008-09 fiscal year.

In addition to the five required reports, several other aspects of the SASPDC Annual Report were reviewed, including an analysis of the dollars spent on programs and administration and the percentage of levy refunded, a review of activities report and a verification of the list of directors included in the annual report. The SASPDC's meeting minutes were also reviewed.

Overall, SASPDC met all reporting requirements and the council had no significant concerns.

Administration and Finance

The SASPDC's system of internal control, legislative compliance and financial statements are annually audited by Merv Culham, CA. The board of directors and management are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements.

Summary of Financial Activities

In accordance with the SASPDC regulations and orders, the commission is funded by a levy of \$0.0075 per pound of alfalfa seed marketed at the first point of sale. Producers may request a refund of any or all of the levy paid.

	<u>2008</u>	<u>2009</u>
Levy Revenue	\$104,527	\$ 100,651
Levy Refunded	(13,997)	(2,136)
Refund Rate	13.4%	2.1%
Other Revenue	<u>22,247</u>	<u>61,552</u>
Total Revenue	112,777	160,067
Total Expenses	<u>86,164</u>	<u>145,465</u>
Operating Surplus (Deficit) for the year	<u>26,613</u>	<u>14,602</u>
Total Assets	<u>\$311,739</u>	<u>\$326,341</u>

Registered producers and buyers may request a complete copy of the annual report by contacting the SASPDC at the above address.

Orders

Agencies were contacted to review their orders and to amend any orders that the agency intended to maintain to reflect *The Agri-Food Act, 2004*'s requirement for a 10-year limit to be incorporated into every order.

SASPDC performed this review. The following orders were wholly revoked effective October 16, 2009:

Order No. 1/97: Producer Registration
Order No. 2/97: Check-off Collection
Order No. 3/97: Refund of Check-offs
Order No. 4/97: Buyer, Processor or Assembler
Registration
Order No. 5/97: Reporting
Order No. 6/98: Marketing

These revoked orders were replaced by the following:

Order No. 7/09: Producer Registration

Effective: October 16, 2009

This order outlines how the board will maintain a producer registration system.

Order No. 8/09: Levy Collection

Effective: October 16, 2009

The board set a levy of \$0.0075 per pound of alfalfa seed marketed that is produced in Saskatchewan, as well as established the process through which the levy is collected.

Order No. 9/09: Refund of Levy

Effective: October 16, 2009

The levy refund procedures are established in this order.

Order No. 10/09: Buyer, Processor or Assembler Registration

Effective: October 16, 2009

Those required to register with the board are identified in this order, as well as the information requirements for registration.

Order No. 11/09: Reporting

Effective: October 16, 2009

This order identifies what information shall be recorded and provided by buyers, processors or assemblers.

Order No. 12/09: Marketing

Effective: October 16, 2009

The SASPDC must develop and implement policies and programs in consultation with producers and processors while refraining from involvement in the production and marketing of alfalfa seed.

Saskatchewan Beekeepers Development Commission

P.O. Box 55, R.R. 3
Yorkton, SK S3N 2X5
Phone: (306) 783-7046
Fax: (306) 786-6001
E-mail: whowland@accesscomm.ca

Board of Directors - 2009

Tim Wendell, Chairperson	Roblin, MB
Calvin Parsons, Vice Chairperson	Meskanaw
Corey Bacon	Kinistino
Gerry Moyer	Zenon Park
Danny Valteau	Aylsham
Barry Brown	Saskatoon

Wink Howland, Secretary/Treasurer Yorkton

Annual Report Review Fiscal Year End - December 31, 2009

The Saskatchewan Beekeepers Development Commission (SBDC) was successful in completing and submitting the required five reports to the council for the 2009 fiscal year.

In addition to the five required reports, several other aspects of the SBDC's Annual Report were reviewed, including an analysis of the dollars spent on programs and administration and the refunded check-off percentage, a review of the SBDC's activities report and a verification of the list of directors included in the annual report.

Overall, the SBDC met all reporting requirements and the council had no significant concerns.

Administration and Finance

The SBDC's system of internal control, legislative compliance and financial statements are audited annually by ParkerQuine LLP. The board of directors and management are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements.

Summary of Financial Activities

In accordance with the SBDC regulations and orders, the commission is funded by a check-off of \$1 per producing colony by beekeepers that annually produce 100 or more colonies. Beekeepers who produce less than 100 colonies annually can voluntarily submit a \$1 per producing colony check-off. Beekeepers may request a refund of any or all of the check-off paid.

	<u>2008</u>	<u>2009</u>
Check-off Revenue	\$35,181	\$ 67,429
Check-off Refunded	(2,842)	(8,638)
Refund Rate	8.1%	12.8%
Other Revenue	<u>(1,654)</u>	<u>7,613</u>
Total Revenue	30,685	66,404
Total Expenses	<u>28,064</u>	<u>33,421</u>
Operating Surplus		
(Deficit) for the Year	<u>2,621</u>	<u>32,983</u>
Total Assets	<u>\$40,503</u>	<u>\$ 73,597</u>

Registered producers and buyers may request a complete copy of the annual report by contacting the SBDC at the above address.

Orders

The SBDC exercises the powers granted by its development commission regulations through orders that require council approval prior to coming into effect. The council reviewed and approved the following SBDC orders in 2009:

Order No. 04/09: Check-Off Collection Effective: May 7, 2009

The SBDC check-off is increased from \$0.50 per colony to \$1 per colony. Beekeepers with more than 100 colonies in production annually are required to submit this check-off.

Canaryseed Development Commission of Saskatchewan

502 – 45th Street West, 2nd Floor
Saskatoon, SK S7L 6H2
Phone: (306) 975-6624
Fax: (306) 244-4497
E-mail: kevin@hursh.ca

Board of Directors – 2008-2009

Andrew Schaefer, Chairperson	Riceton
Glenn Byrnes, Vice Chairperson	Eston
Jack Carlson	Kyle
Larry Frisky	Arborfield
Kurtis Nunweiler	Rosetown
Vince Walker	Melfort
Kevin Hursh, Executive Director	Saskatoon
Adele Buettner, General Manager	Saskatoon
Bill May, Board Advisor	Indian Head
Pierre Hucl, Board Advisor	Saskatoon
Blaine Recksiedler, Board Advisor	Regina

Annual Report Review

Fiscal Year End – July 31, 2009

The Canaryseed Development Commission of Saskatchewan (CDCS) was successful in completing and submitting the required five reports to council for the 2008-09 fiscal year.

In addition to the five required reports, several other aspects of the CDCS Annual Report were reviewed, including an analysis of the dollars spent on programs and administration and the refunded check-off percentage, a review of the activities and state of the industry reports and a verification of the list of directors included in the annual report.

Overall, CDCS met all reporting requirements and the council had no significant concerns.

Administration and Finance

The CDCS's system of internal control, legislative compliance and financial statements are audited annually by Twigg & Company. The board of directors and management are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements. The check-off is collected and recorded by a third party with a system of checks and balances to ensure accuracy.

Summary of Financial Activities

In accordance with the CDCS regulations and orders, the commission is funded by a check-off of \$1.75 per net tonne of canaryseed marketed at the first point of sale. Producers may request a refund of any or all of the check-off paid.

	<u>2008</u>	<u>2009</u>
Check-off Revenue	\$315,644	\$ 223,983
Check-off Refunded	(14,995)	(11,884)
Refund Rate	4.8%	5.3%
Other Revenue	<u>16,300</u>	<u>258,604</u>
Total Revenue	316,949	470,703
Total Expenses	<u>184,956</u>	<u>388,787</u>
Operating Surplus (Deficit) for the Year	<u>131,993</u>	<u>81,916</u>
Total Assets	<u>\$462,828</u>	<u>\$603,838</u>

Registered producers and buyers may request a complete copy of the annual report by contacting the CDCS at the above address.

Saskatchewan Canola Development Commission

212 – 111 Research Drive

Saskatoon, SK S7N 3R2

Phone: (306) 975-0262

(877) 241-7044

Fax: (306) 975-0136

E-mail: info@saskcanola.com

Website: www.saskcanola.com

Board of Directors - 2008-09

Kelvin Meadows, Chairperson

Wayne Bacon, Vice Chairperson

Brett Halstead, Treasurer

Joan Heath

Terry Youzwa

Tim Wiens

Moose Jaw

Kinistino

Nokomis

Radisson

Nipawin

Herschel

Catherine Folkersen, Executive Director Saskatoon

Annual Report Review

Fiscal Year End - July 31, 2009

The Saskatchewan Canola Development Commission (SCDC) was successful in completing and submitting the required five reports to council for the 2008-09 fiscal year.

In addition to the five required reports, several other aspects of the SCDC's Annual Report were reviewed, including an analysis of the dollars spent on programs and administration and the percentage of levy that was refunded, a review of the activities and state of the industry reports and a verification of the list of directors included in the annual report.

Overall, the SCDC met all reporting requirements and the council had no significant concerns.

Administration and Finance

The SCDC's system of internal control, legislative compliance and financial statements are audited annually by Pricewaterhouse Coopers LLP. The board of directors and management are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements.

Until February 1, 2010, the SCDC collected its own levy and provided the administration services for the collection of the levies/check-offs for the following agencies: Saskatchewan Flax Development Commission; Saskatchewan Mustard Development Commission; Canaryseed Development Commission of Saskatchewan; Saskatchewan Oat Development Commission; and Saskatchewan Winter Cereals Development Commission. As of February 1, 2010, the Agriculture Council of Saskatchewan is performing these levy administration services for all of the above listed agencies including the SCDC.

Summary of Financial Activities

In accordance with the SCDC regulations and orders, the commission is funded by a check-off of \$0.75 per metric tonne of all canola and canola-quality Brassica juncea marketed at the first point of sale. Producers may request a refund of any or all of the check-off paid.

	<u>2008</u>	<u>2009</u>
Levy Revenue	\$3,008,787	\$3,737,712
Levy Refunded	(222,271)	(267,965)
Refund Rate	7.4%	7.2%
Other Revenue	<u>427,602</u>	<u>382,863</u>
Total Revenue	3,214,118	3,852,610
Total Expenses	<u>3,036,144</u>	<u>3,606,058</u>
Operating Surplus (Deficit) for the year	<u>177,974</u>	<u>246,552</u>
Total Assets	<u>\$3,664,212</u>	<u>\$3,935,149</u>

Registered producers and buyers may request a complete copy of the annual report by contacting the SCDC at the above address.

Saskatchewan Cattlemen's Association

502 – 45th Street West, 2nd Floor
Saskatoon, SK S7L 6H2
Phone: (306) 655-2333
Fax: (306) 665-2336
E-mail: info@saskbeef.com
Website: www.saskbeef.com

Board of Directors – 2008-09

Jack Hextall, Chairperson	Grenfell
Ryan Thompson, Vice Chairperson	Ceylon
Bill Jameson, Finance Chairperson	Moose Jaw
Bob Ivey, Past Chairperson	Ituna
Ryan Beierbach	Whitewood
Lyal Fox	Shellbrook
Doug Gillespie	Neville
Larry Grant	Val Marie
Bruce Holmquist	Kinistino
Leon Stang	Cactus Lake
David Stuart	Edam
Duane Thompson	Kelliher
Rick Toney	Gull Lake
Howard Toews	Watrous
Brad Welter	Viscount
Richard Wilson	Porcupine Plain

Keith Robertson, Chief Executive Officer Saskatoon

Annual Report Review Fiscal Year End – July 31, 2009

The Saskatchewan Cattlemen's Association (SCA) was successful in completing and submitting the required five financial reports to council for the 2008-09 fiscal year. However, the SCA did not submit a complete annual report including a review of agency activities.

Overall, SCA met all reporting requirements and the council had no significant concerns.

Administration and Finance

The SCA's system of internal control, legislative compliance and financial statements were audited by Marcia Herback, CA. The board of directors and management are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements.

Summary of Financial Activities

At this point in time, the SCA does not have the power to collect a levy as the method of levy collection is still being determined. All cattle levies are being collected through the Cattle Marketing Deductions Fund (CMDf) from which the SCA currently receives funds to operate. A process is in place to have the SCA perform these levy collection processes and to eliminate the role of the CMDf.

	<u>2009</u>
CMDf Grant	\$ 208,209
Other Revenue	<u>0</u>
Total Revenue	208,209
Total Expenses	<u>208,209</u>
Operating Surplus (Deficit) for the Year	<u><u>0</u></u>

Total Assets \$207,107

Registered producers and buyers may request a complete copy of the annual report by contacting the SCA at the above address.

Orders

The SCA exercises the powers granted by its development commission regulations through orders which require council approval prior to coming into effect. The council reviewed and approved the following SCA board order:

Order No. 01/09: Registration of Cattle Producers

Effective: July 9, 2009

The process for how the initial list of registered cattle producers will be developed is established in this order.

Saskatchewan Flax Development Commission

A5A – 116 – 103rd Street East
Saskatoon, SK S7N 1Y7
Phone: (306) 664-1901
Fax: (306) 664-4404
E-mail: saskflax@saskflax.com
Website: www.saskflax.com

Board of Directors - 2008-09

Allen Kuhlmann, Chairperson	Rouleau
Lyle Simonson, Vice Chairperson	Swift Current
Gregor Beck	Rouleau
Chris Hale	Rouleau
Edwin Hanley	Regina
David Sefton	Broadview

Linda Braun, Executive Director	Saskatoon
Dr. Gordon Rowland, Board Advisor	Saskatoon
Glenn Payne, Board Advisor	Regina
Venkata Vakulabharanam, Board Advisor	Regina

Annual Report Review Fiscal Year End - July 31, 2009

The Saskatchewan Flax Development Commission (SaskFlax), was successful in completing and submitting the five required reports to the council for the 2008-09 fiscal year.

In addition to the five required reports, several other aspects of SaskFlax's Annual Report were reviewed, including an analysis of the dollars spent on programs and administration and the percentage of refunded check-offs, a review of the activities report and a verification of the list of directors included in the annual report.

Overall, SaskFlax met all reporting requirements and the council had no significant concerns.

Administration and Finance

SaskFlax's system of internal control, legislative compliance and financial statements are audited annually by Merv Culham, CA. The board of directors and management are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements. SaskFlax's check-off is collected and recorded by a third-party with a system of checks and balances to ensure accuracy.

Summary of Financial Activities

In accordance with SaskFlax regulations and orders, the commission is funded by a check-off of \$0.03 per bushel (\$1.18 per metric tonne) of flaxseed and \$0.50 per metric tonne on flax straw marketed. Producers may request a refund of any or all of the check-off paid

	<u>2008</u>	<u>2009</u>
Check-off Revenue	\$ 557,827	\$ 505,103
Check-off Refunded	(31,540)	(20,158)
Refund Rate	5.7%	4.0%
Other Revenue	<u>376,301</u>	<u>57,028</u>
Total Revenue	902,588	541,973
Total Expenses	<u>756,474</u>	<u>549,945</u>
Operating Surplus		
(Deficit) for the Year	<u>146,114</u>	<u>(7,972)</u>
Total Assets	<u>\$1,183,102</u>	<u>\$1,031,601</u>

Registered producers and buyers may request a complete copy of the annual report by contacting the SFDC at the above address.

Orders

Agencies were contacted to review their orders and to amend any orders which the agency intended to maintain to reflect *The Agri-Food Act, 2004* requirement that a 10-year limit be incorporated into every order.

SaskFlax performed this review. The following orders were wholly revoked effective December 1, 2009:

Order No. 2/96: Refund of Check-offs
Order No. 3/96: Buyer Registration
Order No. 8/98: Reporting
Order No. 9/98: Producer Registration
Order No. 10/00: Refund of Check-offs

These revoked orders were replaced by the following:

Order No. 11/09: Refund of Check-offs
Effective: December 1, 2009

The check-off refund procedures are established in this order.

Order No. 12/09: Buyer Registration
Effective: December 1, 2009

Those who are required to register with the board, as well as the information required for registration, are identified in this order.

Order No. 13/09: Reporting
Effective: December 1, 2009

This order identifies what information will be recorded and provided by buyers.

Order No. 14/09: Producer Registration
Effective: December 1, 2009

The board will maintain a producer registration system that requires producers to complete a registration application form.

Order No. 15/09: Check-off Collection
Effective: December 1, 2009

The check-off for flax produced in Saskatchewan is established at rates of \$0.03 per bushel (\$1.18 per metric tonne) of flaxseed and \$0.50 per metric tonne on flax straw marketed. As well, this order outlines who is required to pay the check-off and how that check-off will be collected.

Saskatchewan Forage Seed Development Commission

P.O. Box 1361
Watrous, SK S0K 4T0
Phone: (306) 946-3135
E-mail: sfsdc@sasktel.net

Board of Directors - 2009-10

David Maxwell, Chairperson	Nipawin
Randy Tulloch, Vice Chairperson	Broadview
Clayton Myhre	Nipawin
Janice Brynnooghe (ex officio)	Outlook
Roger Kirk	Nipawin
Perry Thesen	Carrot River
Michel Tremblay (ex officio)	Regina

Nancy Gray, Executive Director Watrous

Annual Report Review Fiscal Year End - June 30, 2009

The Saskatchewan Forage Seed Development Commission (SFSDC) was successful in completing and submitting all required reports to the council for the 2008-09 fiscal year. However, the SFSDC did not submit a complete annual report including a review of agency activities.

In addition to the required reports, an analysis of the dollars spent on programs and administration, an analysis of the percentage of check-off and a verification of the list of directors included in the annual report were also performed.

Overall, the SFSDC met all reporting requirements and the council had no significant concerns.

Administration and Finance

The SFSDC's system of internal control, legislative compliance and financial statements are audited annually by Merv Culham, CA. The board of directors and management are responsible for establishing and maintaining a system of internal control, complying with the applicable regulations, maintaining financial records and preparing financial statements.

Summary of Financial Activities

In accordance with the SFSDC's regulations and orders, the commission is funded by a levy of 0.75 per cent of the gross value of forage seed marketed at the first point of sale. Producers may request a refund of any or all of the check-off paid.

	<u>2008</u>	<u>2009</u>
Levy Revenue	\$ 58,215	\$ 39,093
Levy Refunded	(1,308)	(850)
Refund Rate	2.2%	2.2%
Other Revenue	<u>58</u>	<u>0</u>
Total Revenue	56,965	38,243
Total Expenses	<u>15,910</u>	<u>7,716</u>
Operating Surplus (Deficit) for the year	<u>41,055</u>	<u>30,527</u>
Total Assets	<u>\$114,891</u>	<u>\$ 150,400</u>

Registered producers and buyers may request a complete copy of the annual report by contacting the SFSDC at the above address.

Saskatchewan Mustard Development Commission

502 - 45th Street West
Saskatoon, SK S7L 6H2
Phone: (306) 975-6629
Fax: (306) 244-4497
E-mail: info@saskmustard.com
Website: www.saskmustard.com

Board of Directors - 2008-09

Baine Fritzler, Chairperson	Govan
Patrick Ackerman, Vice Chairperson	Chamberlain
David Pederson, Treasurer	Hawarden
Rene Demoissac	Biggar
Tom Burwell	Saskatoon
Erroll Simington	Kincaid
Kevin Hursh, Executive Director	Saskatoon
Adele Buettner, General Manager	Saskatoon

Annual Report Review Fiscal Year End - July 31, 2009

The Saskatchewan Mustard Development Commission (SMDC) was successful in completing and submitting the required five reports to the council for the 2008-09 fiscal year.

In addition to the required five reports, several other aspects of the SMDC's Annual Report were reviewed, including an analysis of the dollars spent on programs and administration and the percentage of check-offs refunded, a review of the activities and state of the industry reports and a verification of the list of directors included in the annual report.

Overall, the SMDC met all reporting requirements and the council had no significant concerns.

Administration and Finance

The SMDC's system of internal control, legislative compliance and financial statements are audited annually by Twigg & Company. The board of directors and management are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements. Their check-off is collected and recorded by a third party with a system of checks and balances to ensure accuracy.

Summary of Financial Activities

In accordance with the SMDC's regulations and orders, the commission is funded by a check-off of 0.50 per cent of the gross value of mustard marketed at the first point of sale. Producers may request a refund of any or all check-off paid.

	<u>2008</u>	<u>2009</u>
Check-off Revenue	\$ 405,493	\$ 452,227
Check-off Refunds	(23,846)	(22,972)
Refund Rate	5.9%	5.1%
Other Revenue	<u>857,274</u>	<u>718,290</u>
Total Revenue	1,238,921	1,147,545
Total Expenses	<u>994,334</u>	<u>831,367</u>
Operating Surplus		
(Deficit) for the year	<u>244,587</u>	<u>316,178</u>
Total Assets	<u>\$ 652,235</u>	<u>\$1,020,029</u>

Registered producers and buyers may request a complete copy of the annual report by contacting the SMDC at the above address.

Saskatchewan Oat Development Commission

Box 158
Saltcoats, SK S0A 3R0
Phone: (306) 744-2775
Fax: (306) 744-2770
E-mail: POGA@imagewireless.ca

Board of Directors - 2008-09

Dwayne Anderson, Chairperson	Fosston
Richard Pedde	Indian Head
Tyson Becker	Yorkton
Jim Metherell	Maidstone
Jack Shymko	Ituna
Michael Spilchuk	Ituna

Jack Dawes, Executive Director Saltcoats

Annual Report Review Fiscal Year End - July 31, 2009

The Saskatchewan Oat Development Commission (SODC) was successful in completing and submitting the required five reports to the council for the 2008-09 fiscal year.

In addition to the required five reports, several other aspects of the SODC's Annual Report were reviewed, including an analysis of dollars spent on programs and administration and the percentage of check-off that was refunded, a review of the activities and state of the industry reports and a verification of the list of directors included in the annual report.

Overall, the SODC met all reporting requirements and the council had no significant concerns.

Administration and Finance

The SODC's system of internal control, legislative compliance and financial statements are annually audited by ParkerQuine LLP. The board of directors and management are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements.

Summary of Financial Activities

In accordance with the SODC's regulations and orders, the commission is funded by a check-off of \$0.50 per tonne of oats marketed at the first point of sale. Producers may request a refund of any or all check-off paid.

	<u>2008</u>	<u>2009</u>
Check-off Revenue	\$ 835,514	\$ 704,256
Check-off Refunded	(32,422)	(43,116)
Refund Rate	3.9%	6.1%
Other Revenue	<u>50,366</u>	<u>48,886</u>
Total Revenue	853,458	710,026
Total Expenses	<u>209,006</u>	<u>256,988</u>
Operating Surplus		
(Deficit) for the year	<u>644,452</u>	<u>453,038</u>
Total Assets	<u>\$1,192,921</u>	<u>\$1,654,881</u>

Registered producers and buyers may request a complete copy of the annual report by contacting the SODC at the above address.

Saskatchewan Winter Cereals Development Commission

c/o Winter Cereals Canada Inc.
P.O. Box 689
Minnedosa, MB R0J 1E0
Phone: (204) 874-2330
(866) 472-4611
Fax: (204) 874-2135

Board of Directors - 2008-09

Rod Fedoruk, Chairperson	Kamsack
Mark Weatherald	Wawota
Wayne Barsby	Sturgis
D. Kirk Elliott	Saskatoon
Dale Hicks	Outlook

Jake Davidson, Executive Director Minnedosa, MB

Annual Report Review Fiscal Year End - July 31, 2009

The Saskatchewan Winter Cereals Development Commission (SWCDC) was successful in completing and submitting the five required reports to the council for the 2008-09 fiscal year.

In addition to the five required reports, several other aspects of the SWCDC's Annual Report were reviewed, including an analysis of the dollars spent on programs and administration and the percentage of check-off that was refunded, as well as a verification of the list of directors included in the annual report.

Overall, the SWCDC met all reporting requirements and the council had no significant concerns.

Administration and Finance

The SWCDC's system of internal control, legislative compliance and financial statements are audited annually by Merv Culham, CA. The board of directors and management are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements.

Summary of Financial Activities

In accordance with the SWCDC's regulations and orders, the commission is funded by a check-off of \$0.50 per net tonne of winter cereals marketed at the first point of sale. Producers may request a refund of any or all check-off paid.

	<u>2008</u>	<u>2009</u>
Check-Off Revenue	\$ 170,078	\$ 219,721
Check-Off Refunded	(3,798)	(2,495)
Refund Rate	2.2%	1.1%
Other Revenue	<u>2,140</u>	<u>5,139</u>
Total Revenue	168,420	222,365
Total Expenses	<u>39,170</u>	<u>78,457</u>
Operating Surplus (Deficit) for the year	\$ 129,250	\$ 143,908
Total Assets	\$ 173,759	\$ 317,667

Registered producers and buyers may request a complete copy of the annual report by contacting the SWCDC at the above address.

Development Boards

Sask Pork

2 - 502 45th Street West
Saskatoon, SK S7L 6H2
Phone: (306) 244-7752
Fax: (306) 244-1712
E-mail: info@saskpork.com
Website: www.saskpork.com

Board of Directors - 2008-09

Joe Kleinsasser, Chairperson	Rosetown
Ross Johnson, First Vice Chairperson	Hanley
Brad Cramer, Second Vice Chairperson	Humboldt
John Germs	Saskatoon
Jay McGrath	Leroy
Florian Possberg	Humboldt
Neil Ketilson, General Manager	Saskatoon

Annual Report Review Fiscal Year End - July 31, 2009

Sask Pork was successful in completing and submitting the required five reports to the council for the 2008-09 fiscal year.

In addition to the five required reports, several other aspects of Sask Pork's Annual Report were reviewed, including an analysis of the dollars spent on programs and administration, an activities report and a state of the industry report and a verification of the list of directors included in the annual report. Sask Pork's meeting minutes were also reviewed.

Overall, Sask Pork met all reporting requirements and the council had no significant concerns.

Administration and Finance

Sask Pork's system of internal control, legislative compliance and financial statements are audited annually by Meyers Norris Penny LLP. The board of directors and management are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements.

Summary of Financial Activities

In accordance with Sask Pork's regulations and orders, the board is funded by a check-off of \$0.75 per slaughter hog and sow marketed to a Saskatchewan slaughter plant. Sask Pork also collects a service charge of \$0.75 per slaughter hog, slaughter sow and breeding hog and \$0.20 per early weaned and feeder hog exported live from Canada.

	<u>2008</u>	<u>2009</u>
Check-off Revenue	\$1,516,898	\$1,166,275
Other Revenue	<u>1,231,441</u>	<u>413,526</u>
Total Revenue	2,748,339	1,579,801
Total Expenses	<u>2,614,792</u>	<u>1,611,378</u>
Operating Surplus		
(Deficit) for the year	<u>133,547</u>	<u>(31,577)</u>
Total Assets	<u>\$1,677,450</u>	<u>\$1,512,416</u>

Registered producers and buyers may request a complete copy of the annual report by contacting Sask Pork at the above address.

Orders

Agencies were contacted to review their orders and to amend any orders that the agency intended to maintain to reflect *The Agri-Food Act, 2004's* requirement for a 10-year limit to be incorporated into every order.

Sask Pork performed this review. The following orders were wholly revoked effective October 16, 2009:

Order No. 3/98: Exemptions
Order No. 4/98: Producer Registration
Order No. 5/98: Processors, Dealers, Truckers and Assemblers

The revoked orders were replaced by the following:

**Order No. 9/09: Processors, Dealers, Truckers
and Assemblers Registration**

Effective: October 16, 2009

Pork processors, dealers, truckers and assemblers
must register with Sask Pork.

Order No. 10/09: Producer Registration

Effective: October 16, 2009

The Sask Pork board shall maintain a producer
registration system which will require that
producers complete a registration application form.

Order No. 11/09: Exemptions

Effective: October 16, 2009

This order identifies who shall be exempt from
check-off collection.

Saskatchewan Pulse Crop Development Board

104 – 411 Downey Road

Saskatoon, SK S7N 4L8

Phone: (306) 668-5556

Fax: (306) 668-5557

E-mail: pulse@saskpulse.com

Website: www.saskpulse.com

Board of Directors - 2008-09

Maurice Berry, Chairperson	Carievale
Barbara Podhorodeski, Vice Chairperson	Shipman
John Bennett	Biggar
Dwayne Moore	Rosetown
David Nobbs	Kindersley
Murray Purcell	Saskatoon
Jeff Sopatyk	Saskatoon

Garth Patterson, Executive Director Saskatoon

Annual Report Review

Fiscal Year End - August 3, 2009

The Saskatchewan Pulse Crop Development Board (SPCDB) was successful in completing and submitting the required five reports to council for the 2008-09 fiscal year.

In addition to the five required reports, several other aspects of SPCDB's Annual Report were reviewed, including an analysis of the dollars spent on programs and administration, an activities report and a state of the industry report and a verification of the list of directors included in the annual report. SPCDB meeting minutes were also reviewed.

Overall, SPCDB met all reporting requirements and the council had no significant concerns.

Administration and Finance

The SPCDB's system of internal control, legislative compliance and financial statements are audited annually by Hergott Duval Stack LLP. The SPCDB's board of directors and management are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements.

Summary of Financial Activities

In accordance with the SPCDB's regulations and orders, the board is funded by a non-refundable check-off of one per cent (plus GST) of the gross value of all pulses marketed at the first point of sale.

	<u>2008</u>	<u>2009</u>
Check-off Revenue	\$ 9,773,330	\$12,072,342
Other Revenue	<u>749,672</u>	<u>983,894</u>
Total Revenue	10,523,002	13,056,236
Total Expenses	<u>6,791,674</u>	<u>8,712,028</u>
Operating Surplus		
(Deficit) for the Year	<u>\$ 3,731,328</u>	<u>\$ 4,344,208</u>
Total Assets	<u>\$10,086,575</u>	<u>\$15,514,969</u>

Registered producers and buyers may request a complete copy of the annual report by contacting the SPCDB at the above address.

Sheep Development Board

2213C Hanselman Court
Saskatoon, SK S7L 6A8
Phone: (306) 933-5200
Fax: (306) 933-7182
E-mail: sheepdb@sasktel.net
Website: www.sksheep.com

Board of Directors - 2008-09

Dirk Van Kuik, Chairperson	Hepburn
Trent Larson	Southey
David Meynberg	Maidstone
Dwaine Morvik	Eastend
Richard Zubot	Humboldt

Gord Schroeder, Executive Director Saskatoon

Annual Report Review

Fiscal Year End - September 30, 2009

The Sheep Development Board (SDB) was successful in completing and submitting the required five reports to the council for the 2008-09 fiscal year.

In addition to the five required reports, several other aspects of the SDB's Annual Report were reviewed, including an analysis of the dollars spent on programs and administration, a review of the activities and state of the industry reports and a verification of the list of directors included in the annual report.

Overall, the SDB met all reporting requirements and the council had no significant concerns.

Administration and Finance

The SDB's system of internal control, legislative compliance and financial statements are audited annually by HVB Chartered Accountants Prof. Corp. The board of directors and management are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements.

Summary of Financial Activities

In accordance with the SDB's regulations and orders, the board is funded by a non-refundable levy. The SDB levy is \$1.50 per marketed sheep and is applied at the time of purchase of Canadian Sheep Identification Program ear tags.

	<u>2008</u>	<u>2009</u>
Levy Revenue	\$ 56,856	\$ 94,399
Other Revenue	<u>313,783</u>	<u>365,357</u>
Total Revenue	370,639	460,056
Total Expenses	<u>389,906</u>	<u>443,082</u>
Operating Surplus		
(Deficit) for the year	<u>(19,267)</u>	<u>(16,974)</u>
Total Assets	<u>\$ 239,046</u>	<u>\$ 268,432</u>

Registered producers and buyers may request a complete copy of the annual report by contacting the SDB at the above address.

Marketing Boards

Saskatchewan Broiler Hatching Egg Producers' Marketing Board

15 - 2220 Northridge Drive

Saskatoon, SK S7L 6X8

Phone: (306) 242-3611

(888) 332-5825

Fax: (306) 242-3286

E-mail: gale@saskatchewanchicken.ca

Government Representative with Administrative Powers, 2009

Roy White

Regina

Management, 2009

Clinton Monchuk, CEO

Saskatoon

Annual Report Review

Fiscal Year End - December 31, 2009

The Saskatchewan Broiler Hatching Egg Producers' (BHE) Marketing Board was successful in completing and submitting the required five reports to the council for the 2008-09 fiscal year.

In addition to the five required reports, an analysis of the dollars spent on programs and administration and a review of the activities report included in the BHE Annual Report were reviewed.

Overall, BHE met all reporting requirements and the council had no significant concerns.

Administration and Finance

BHE's system of internal control, legislative compliance and financial statements are audited annually by Dudley & Company LLP. Mr. White and Mr. Monchuk are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements.

Summary of Financial Activities

During the 2009 fiscal year, BHE collected \$96,880 in levies. In accordance with the agency's regulations and orders, the levy is \$0.0032 per quota unit. This levy is mandatory and non-refundable.

	<u>2008</u>	<u>2009</u>
Levy Revenue	\$ 96,880	\$ 96,880
Other Revenue	<u>58,809</u>	<u>75,404</u>
Total Revenue	155,689	172,284
Total Expenses	<u>125,974</u>	<u>170,389</u>
Operating Surplus		
(Deficit) for the year	<u>29,715</u>	<u>1,895</u>
Total Assets	<u>\$155,733</u>	<u>\$161,128</u>

Registered producers and buyers may request a complete copy of the annual report by contacting the BHE at the above address.

Government Representative with Administrative Powers

Through Lieutenant Governor's Order in Council #283/2000, dated May 30, 2000, the Minister of Agriculture assumed many of the BHE's powers and then delegated those powers to an independent government representative with administrative powers. This process was undertaken to address board governance issues.

This government representative is charged with the following tasks:

- carrying out quota allocation, pricing and levy collection duties and procedures;
- resolving industry disputes; and
- exploring with industry new decision-making structures that may prevent delays in industry progress.

Orders

BHE was granted specific powers that can be exercised in its marketing plan through the use of orders. These orders require council approval prior to coming into effect. The council reviewed and approved the following BHE order in 2009:

Order No. 48/09: Leasing

The parameters respecting base quota leasing are outlined in this order.

Chicken Farmers of Saskatchewan

15 - 2220 Northridge Drive
Saskatoon, SK S7L 6X8

Phone: (306) 242-3611
(888) 332-5825

Fax: (306) 242-3286

E-mail: gale@saskatchewanchicken.ca

Website: www.saskatchewanchicken.ca

Board of Directors - 2008-09

Diane Pastoor, Chairperson	Dalmeny
Terry Knippel, Vice Chairperson	Hepburn
Mike Pickard	Saskatoon
Rudy Martinka	St. Benedict
Tim Keet	Grandora

Clinton Monchuk, CEO	Saskatoon
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Annual Report Review

Fiscal Year End - December 31, 2009

The Chicken Farmers of Saskatchewan (CFS) Board was successful in completing and submitting the five required reports to the council for the 2009 fiscal year.

In addition to the five required reports, several other aspects of the CFS' Annual Report were reviewed, including an analysis of the dollars spent on programs and administration, activities report and state of the industry report and a verification of the list of directors included in the annual report. The CFS' meeting minutes were also reviewed.

Overall, the CFS met all reporting requirements and the council had no significant concerns.

Administration and Finance

The CFS' system of internal control, legislative compliance, and financial statements are audited annually by Dudley & Company LLP. The board of directors and management are responsible for establishing and maintaining a system of internal control, complying with the applicable regulations, maintaining financial records and preparing financial statements.

Summary of Financial Activities

During the 2009 fiscal year, the CFS collected \$602,770 in levies. In accordance with the board's regulations and orders, the board is funded by a check-off of \$0.016 per live kilogram of chicken marketed. The check-off is mandatory and non-refundable.

	<u>2008</u>	<u>2009</u>
Check-off Revenue	\$ 613,740	\$ 602,770
Other Revenue	<u>272,487</u>	<u>216,313</u>
Total Revenue	886,227	819,083
Total Expenses	<u>694,256</u>	<u>733,953</u>
Operating Surplus		
(Deficit) for the year	<u>191,971</u>	<u>85,130</u>
Total Assets	<u>\$ 816,361</u>	<u>\$ 869,570</u>

Registered producers may request a complete copy of the annual report by contacting the CFS at the above address.

Production

There were 72 licensed producers in 2009. The 2009 broiler base production was 49,627,742 live kilograms, a decrease of 5.2 per cent compared to production in 2008.

Year	Number of Birds	Live Weight (kg)	Average Weight (kg)
2009	24,543,533	49,627,742	2.02
2008	25,231,200	52,367,480	2.08
2007	24,517,000	52,369,000	2.13
2006	23,792,734	51,544,570	2.20
2005	23,383,724	45,880,416	1.96
2004	25,266,796	44,901,444	1.78
2003	23,004,442	41,371,638	1.80
2002	21,409,775	40,620,973	1.90
2001	19,781,770	37,431,205	1.89
2000	16,937,235	32,414,857	1.91
1999	14,601,629	26,428,949	1.81

Orders

The CFS exercises powers granted by its marketing plan regulations through orders. These orders require council approval prior to coming into effect. The council reviewed and approved the following CFS board orders in the 2009-10 fiscal year:

Order No. 43/09: License Suspension or Cancellation Criteria with Respect to Animal Cruelty Issues

Effective: July 9, 2009

The CFS board may suspend or cancel the license of a producer for animal cruelty reasons in relation to the producer's flock. Specific requirements for a license suspension or cancellation are included in this board order.

Order No. 44/09: Process for Changing Processors

Effective: July 9, 2009

The parameters for the transfer of production between processors are established in this order to allow the processors to be prepared for a change in processing demand.

Order No. 45/09: Animal Care Program

Effective: July 9, 2009

Saskatchewan chicken producers must incorporate the Chicken Farmers of Canada's Animal Care Program into their operations. This program addresses animal welfare issues.

Order No. 46/09: New Entrant Base Quota Waiting List

Effective: December 1, 2009

The New Entrant Base Quota Waiting List builds on the foundations of revoked order No. 15/00 by incorporating more specifics, including what the CFS board requires to incorporate and maintain a potential producer on the base quota waiting list.

Order No. 47/09: Base Quota Auction Process

Effective: December 1, 2009

The base quota auction process is established. The details of this order include the auction advertising process, the role of the auctioneer and the requirements for a sale.

Order No. 48/09: Base Quota Allocations and Expansion

Effective: December 1, 2009

The process for base quota allocations in the case of an expansion of the province's chicken industry is outlined in this order. As well, for research purposes, this order allows for a temporary expansion of production and marketing of specific quantities of chicken for specific periods of time. Additionally, this order grants the board the ability to approve the transfer of all or a portion of a registered producer's allocated quota, as long as the transfer satisfies the board's orders and bylaws.

Saskatchewan Egg Producers

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Board of Directors - 2008-09

Bert Harman, Chairperson	Saskatoon
Stan Fehr, Vice Chairperson	Hague
Cliff Colborn	Delisle
Joseph E. Hofer Jr.	Walsh, AB
Joseph Mandel	Tompkins
Jim Teichrob	Saskatoon

Joy Smith, General Manager Regina

Annual Report Review Fiscal Year End - December 31, 2009

The Saskatchewan Egg Producers (SEP) was successful in completing and submitting the five required reports to the council for the 2009 fiscal year.

In addition to the five required reports, several other aspects of the SEP's Annual Report were reviewed, including an analysis of the dollars spent on programs and administration, a review of the state of the industry report and a verification of the list of directors included in the annual report. The SEP's meeting minutes were also reviewed.

Overall, the SEP met all reporting requirements and the council had no significant concerns.

Administration and Finance

The SEP's system of internal control, legislative compliance and financial statements are audited annually by KPMG LLP. The board of directors and management are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements.

Summary of Financial Activities

In accordance with the SEP's regulations and orders, the board's applied check-off is \$0.075 per dozen eggs marketed. This check-off is mandatory and non-refundable.

	<u>2008</u>	<u>2009</u>
Check-off Revenue	\$7,584,585	\$6,189,030
Less: Egg Farmers of Canada Levy	(5,920,697)	(4,587,324)
Less: Egg Farmers of Canada Settlement (2008 and 2009 only)	<u>(350,000)</u>	<u>(241,505)</u>
Net Check-off	1,313,888	1,360,201
Other Revenue	<u>29,967</u>	<u>90,495</u>
Total Revenue	1,343,855	1,450,696
Total Expenses	<u>1,361,823</u>	<u>1,376,224</u>
Operating Surplus (Deficit) for the year	<u>(17,968)</u>	<u>74,472</u>
Total Assets	<u>\$1,557,228</u>	<u>\$1,671,939</u>

Registered producers may request a complete copy of the annual report by contacting the SEP at the above address.

Production

There were 64 licensed producers in 2009. The 2009 table egg production for Saskatchewan was 24.62 million dozen eggs produced by 908,812, an increase of four per cent.

Year	Number of Layers	Production (million dozen)
2009	908,812	24.62
2008	901,804	23.67
2007	890,073	23.00
2006	890,960	23.12
2005	858,809	22.68
2004	805,903	19.66
2003	783,935	19.51
2002	781,884	19.75
2001	788,723	19.52
2000	787,668	19.07
1999	773,661	18.64

Orders

SEP exercises the powers granted by its marketing plan regulations through orders which require council approval prior to coming into effect. The council reviewed and approved the following SEP board orders in the 2009-10 fiscal year:

Order No. 45/09: Sale of Production Limits

Effective: July 9, 2009

The auctioning process that will be applied by the SEP in the distribution of their increased quota, acquired as a result of the resolution of the SEP-Egg Farmers of Canada dispute, is established in this order.

Saskatchewan Turkey Producers' Marketing Board

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Board of Directors - 2008-09

Kevin Pulvermacher, Chairperson	Bruno
Wayne Goodsman, Vice Chairperson	Stalwart
Jelmer Wiersma	Cudworth
Joni Rynsburger	Saskatoon
Todd Clarke	Esterhazy
Rose Olsen, Executive Director	Saskatoon

Annual Report Review

Fiscal Year End – December 31, 2009

The Saskatchewan Turkey Producers' Marketing Board (STPMB) was successful in completing and submitting to the council the required reports for the 2009 fiscal year.

In addition to the five required reports, several other aspects of the STPMB's Annual Report were reviewed, including an analysis of the dollars spent on programs and administration, a review of the marketing and state of the industry reports and a verification of the list of directors included in the annual report.

Overall, the STPMB met all reporting requirements and the council had no significant concerns.

Administration and Finance

The STMBP's system of internal control, legislative compliance and financial statements are audited annually by Hergott Duval Stack LLP. The board of directors and management are responsible for establishing and maintaining a system of internal control, complying with applicable regulations, maintaining financial records and preparing financial statements.

Summary of Financial Activities

In accordance with the STPMB's regulations and orders, the board is funded by a mandatory and non-refundable check-off of \$0.02 per live kilogram marketed. During the 2009 fiscal year, the board collected \$120,688 in levies, a decrease of 15.1 per cent when compared to 2008 figures.

	<u>2008</u>	<u>2009</u>
Operating Fees	\$142,188	\$120,688
Other Revenue	70,120	83,383
CTMA Check-off	<u>119,737</u>	<u>101,632</u>
Total Revenue	332,045	305,703
Total Expenses	<u>308,794</u>	<u>256,184</u>
Operating Surplus		
(Deficit) for the year	<u>23,251</u>	<u>49,519</u>
Total Assets	<u>\$314,875</u>	<u>\$333,233</u>

Registered producers may request a complete copy of the annual report by contacting the STPMB at the above address.

Production

In 2009, there were 14 licensed producers who produced 6,360,603 live kilograms of turkey, a production decrease of 15 per cent when compared to 2008 production figures.

Year	Live Weight (kg)
2009	6,360,603
2008	7,483,539
2007	7,023,125
2006	6,405,806
2005	5,760,787
2004	5,676,181
2003	5,870,791
2002	5,649,040
2001	5,876,214
2000	6,113,061
1999	5,407,305

